

Appendix A:

Exercises & Handouts

Handout 1.1: Lying Down on the Job

Objectives: To understand your values and how they affect behavior and interpersonal relationships in the workplace.

To learn how to make decisions when values come into conflict.

Directions: Read the following scenario. A group discussion will follow.

You have been working for three months as a tele-marketer. You really enjoy your new job and you are quite good at it. You just received a new assignment, but your supervisor has asked you to pitch the product in a dishonest manner. Your supervisor has asked you to lie to the customers by assuring them the product is 100% safe, even though the product has been recalled three times. Your supervisor tells you that he is sure that the product is now safe. What do you do?

Exercise 1.2: The B.O.S.S. (Big Offensive Sexist Supervisor)

Objective: To understand how your values affect your interpersonal relationships.
To identify appropriate responses to challenging workplace situations.

Directions: Read the following scenario. A group discussion will follow.

You are working for a man who constantly puts down your female co-worker when she is not around. Not only does your boss bash your co-worker about the “terrible work she does,” but he makes rude comments about her physical appearance. In addition, he tells very offensive jokes, many of which are either sexist or racist. You have been listening to your boss’s comments for two months now. At the beginning, you refrained from saying anything. You were concerned that, as his subordinate, it may be out of line. However, your boss continues to make very obnoxious comments, and you know that it makes others uncomfortable as well. How would you handle this situation?

Exercise 2.1: Accepting Criticism—Scenario 1

Objective: To learn how to take direction from supervisors.
To learn from and accept constructive criticism.

Estimated Time: 10-15 minutes per scenario

Directions: Follow along as two volunteers act out the following scenarios. A discussion will follow.

Supervisor: “So, this is the report that you gave me to review.”

Employee: “Yes. I put it on your chair before I left yesterday. Have you had a chance to look it over?”

Supervisor: “This is what you call a monthly report! How dare you give me this piece of junk! Not only did you not follow *any* of my directions, but this is the worst report I have ever received in my eight years at this company. I want you to redo this report before you leave today!”

Exercise 2.1: Accepting Criticism—Scenario 2

Supervisor: “I got your report this morning.”

Employee: “Yes. I put it on your chair before I left yesterday. Have you had a chance to look it over?”

Supervisor: “Yes, I have had a chance to look it over. First, thanks for your hard work and for getting it to me on time. However, it still needs some work. Do you have time to talk right now?”

Employee: “Sure.”

Supervisor: “Great. Sections one and two only have a few revisions, which I have outlined in the margins. Section three needs some more detail, and sections four and five need to be reorganized. I’ve made some suggestions to guide you, but if you have any questions, feel free to come by my office. When do you think you can get the revised report to me?”

Exercise 3.1: Self-Motivation and Initiative

1. Why is self-motivation important?

2. What motivates you?

3. Who is responsible for motivating you in the workplace? Your supervisor?

Your peers? Yourself?

What happens if you don't take responsibility for motivating yourself?

4. Can you think of any situations in which you would want to take on extra work, even if you were not getting compensated for it? Why or why not?

Exercise 3.2: Taking Initiative

Objective: To examine the importance of self-motivation.
To take initiative in order to develop skills on the job.

Directions: Read the following scenario. A group discussion will follow.

Jennifer just got hired as an office assistant in a dental office. She is an extremely hard worker and is determined to prove herself to her new employer. After a few weeks on the job, she comes up with (what she considers to be) a better system for organizing the patient files. To prove what a hard worker she is, Jennifer comes in early one morning to get started on the project. When her supervisor arrives at work, she is upset to see the files in disarray.

Exercise 3.3: Above and Beyond

Objective: To distinguish between basic responsibilities and extra activities.

Directions: Read the scenario below and answer the question that follows.

Laurie is working for a large hotel in their housekeeping division. Her responsibilities include:

- Clean the number of guest rooms as assigned.
- Clean bathrooms and sitting areas.
- Make beds with clean linen and place clean linen in bathrooms daily.
- Dust and vacuum rooms daily.
- Empty wastebaskets and replace wastebasket liner daily.
- Remove food trays, dishes, and glasses from rooms.

What extra activities could Laurie perform that are not included in her basic responsibilities?

- _____
- _____
- _____
- _____
- _____
- _____

Exercise 4.1: Dictionary of Strengths

A

- ☐ Accurate
- ☐ Ambitious
- ☐ Articulate
- ☐ Artistic
- ☐ Assertive
- ☐ Assume responsibility
- ☐ Attentive to detail

B

- ☐ Bold
- ☐ Broad-minded
- ☐ Businesslike

C

- ☐ Caring
- ☐ Clear-thinking
- ☐ Competitive
- ☐ Confident
- ☐ Consistent

D

- ☐ Dependable
- ☐ Detail-oriented
- ☐ Determined

E

- ☐ Eager
- ☐ Efficient
- ☐ Empathetic
- ☐ Enthusiastic

F

- ☐ Firm
- ☐ Flexible
- ☐ Friendly

G

- ☐ Generous
- ☐ Good-listener

- ☐ Good-natured

H

- ☐ Helpful
- ☐ Honest

I

- ☐ Imaginative
- ☐ Independent
- ☐ Individualistic
- ☐ Intellectual
- ☐ Inventive

K

- ☐ Kind
- ☐ Knowledgeable

L

- ☐ Logical
- ☐ Loyal

M

- ☐ Meticulous
- ☐ Modest
- ☐ Motivated

N

- ☐ Natural

O

- ☐ Open-minded
- ☐ Organized
- ☐ Original

P

- ☐ Patient
- ☐ Persistent

- ☐ Practical

Q

- ☐ Quick-learner

R

- ☐ Realistic
- ☐ Reliable
- ☐ Responsible
- ☐ Results-oriented
- ☐ Risk-taker

S

- ☐ Self-confident
- ☐ Stable
- ☐ Strong-willed
- ☐ Supportive

T

- ☐ Teachable
- ☐ Tenacious
- ☐ Thorough
- ☐ Thoughtful
- ☐ Tolerant
- ☐ Trusting
- ☐ Trustworthy

U

- ☐ Understanding

V

- ☐ Versatile

W

- ☐ Willing to learn new things
- ☐ Wise

Exercise 4.2: Recognizing Your Strengths

Objective: To examine the connection between personal strengths and job-specific skills.

Directions: Take 5-10 minutes to find a job that interests you using a newspaper, the Internet, or the examples provided below. Complete the worksheet by writing down the job qualifications in the appropriate column. Match the job qualifications to your own personality strengths (as determined by the *Dictionary of Strengths* exercise) and provide a personal example.

Job-finder Web sites:

www.careermosaic.com

www.careerbuilder.com

www.careercity.com

www.monster.com

www.idealists.org

www.jobfind.com

www.careerexchange.com

www.ajb.dni.us

www.careerexposure.com

www.nationjob.com

Example One:

Administrative Coordinator

Responsibilities include the following tasks: assisting a Department Manager and staff with word processing, filing, database administration, and general administrative duties. Requires excellent skills in Microsoft Word and Excel. Must possess a professional demeanor and have the ability to interact with all levels of personnel, including managers, supervisors, telephone interviewers, and support staff. Ability to prioritize work and meet deadlines while providing strong customer service with attention to detail a must. Some college with excellent communications skills and 1-3 years related experience preferred.

Example Two:

Indirect Sales Associate

If you are motivated, enthusiastic, and possess a “can-do” attitude, this could be the opportunity you’ve been looking for! As Indirect Sales Associate, you will work at selected retail stores to represent Company X and its retail partners by providing top-notch service to customers. In order to meet or exceed monthly sales quotas, you will actively demonstrate all of the latest products and services. We will rely on you to develop positive relationships with national retail partners, sharing information and training associates on an ongoing basis. You will be assigned one store to cover each weekend on a rotating basis. Transportation is required. Company X provides the

opportunity for development found only in rapidly expanding organizations. Our program offers a flexible schedule and opportunity to make great money.

Example Three:

Shovel Mechanic

An exciting and challenging job opportunity! Specific responsibilities include lubricating and cleaning parts; repairing or replacing defective parts; and welding and fabricating parts to properly repair shovels. With our team-based management system, you will be responsible for prioritizing and initiating projects and routine work; coordinating task completion with other departments; and eventually, training new mechanics. Minimum requirements include demonstrated communication and interpersonal skills; demonstrated ability to train and mentor others; strong planning and organizational skills; and an excellent safety and attendance record.

Example Four:

Kid's Club Attendant

Duties and responsibilities include: coordinating and supervising games and activities for children; providing care to children and attending to their personal needs; and working with parents to answer inquiries and take care of special needs. No experience is necessary, but a minimum of one year of childcare experience is desired. Effective interpersonal skills and strong oral communication skills a must.

Example Five:

After-School Program Staff

Several positions available for after-school program in elementary schools:

- Group Leaders: Responsible for the daily supervision of children.
- Workshop Assistants: Responsible for assisting Group Leader in the daily supervision of children.
- Activity Specialists: Responsible for developing and implementing "activity plans" for children. Plans will include athletics, arts & crafts, computer activities, dance, and music.

All candidates must enjoy working with children. Must be patient, enthusiastic, and have a good sense of humor.

Example Six:

Program Organizer

Children's Garden provides a unique opportunity to work with the highest caliber of therapeutic childcare professionals in a team atmosphere. The program organizer will lead a small team with the objective of family preservation and reunification when an out-of-home placement for a child is threatened or has occurred. The process involves identifying and evaluating child and family needs and developing and implementing

wide-ranging treatment plans and approaches. We are looking for dynamic individuals who possess strong clinical skills and moral and professional standards.

Example Seven:

University/Community Liaison

We need an outreach representative to coordinate and perform outreach to universities and non-profit organizations. Primary responsibilities include leading outreach efforts to universities and non-profit communication channels, communicating directly with university-based researchers and non-profit representatives, designing and coordinating marketing and outreach campaigns, and other tasks as necessary. The ideal candidate will have exemplary communication and problem-solving skills and strong self-motivation. He or she will be good-natured, persuasive, and a quick learner.

Example Eight:

Program Coordinator

Seeking Program Coordinator to work as part of a two-person team responsible for the day-to-day operations of a teen empowerment site. Responsibilities include facilitating group activities, training and supervising youth, supporting youth in implementing social change initiatives, working to improve the safety and overall health of the school or community (including conflict resolution and crisis management), collaborating on special projects with other local and city-wide organizations, and participating in strategic planning efforts. Additional qualifications include a passion for social justice and an understanding of the socio-economic, educational, and political challenges facing urban communities. Two years experience required. Bilingual abilities a plus.

Exercise 4.2**Recognizing Your Strengths:
Translating Personality Strengths into Job-Specific Skills****Job Position and Title:** Administrative Coordinator

Job Qualifications	Personal Skills	Example of How Personal Skills Translate Into Job Qualifications
1. Ability to prioritize work, meet deadlines, and great attention to detail	<ul style="list-style-type: none">◆ Organized◆ Flexible	Everyday I coordinate my schedule with my children's schedule. I am able to change my schedule to pick up my children at school and take them to the doctor's office. I keep track of all my appointments in my date-book, which I carry around and consistently check.
Customer Service Service-Oriented; Ability to work well with others	<ul style="list-style-type: none">◆ Enthusiastic◆ Helpful◆ Friendly	Everyday, someone new asks me about the current happenings in our neighborhood. The residents keep referring people to me because they say I am ready to lend a helping hand and always have a smile on my face.

Exercise 4.2

**Recognizing Your Strengths:
Translating Personality Strengths into Job-Specific Skills**

Job Position and Title: _____

Job Qualifications	Employee Skills	Personal Example of How My Employee Skills Translate into Job Qualifications
1.		
2.		
3.		
4.		

Handout 5.1: Overcoming Obstacles (Scenario 1)

Katie has been working at CBA, Inc. for one year. Because of her proven efficiency and high quality work, her managers have been giving her a lot of work. Every day the piles continue to build up on her desk. Unfortunately, it has gotten to the point that it is no longer manageable for Katie to complete all of the work on her own. Jim, her colleague, does much of the same work that Katie does, but he does not seem to be consistently busy like Katie. The only way for Katie to complete her responsibilities is to stay late at least two nights per week. This is a problem for Katie because she does not have anyone to care for her children if she is late. What should Katie do?

Handout 5.1: Overcoming Obstacles (Scenario 2)

Anthony is a 23-year-old ex-offender. When he was 19, he was a member of a gang and committed armed robbery. He served one year in jail and was released on good behavior. While in jail, he began to turn his life around. He started by getting his GED, as well as taking courses offered by a local college program. Now that he has been released from prison, is about to join the workforce. However, he must declare on all his job applications that he has served time. Anthony has applied for five different positions, but has yet to make it to the face-to-face interview to explain how he has turned his life around. What can he do?

Handout 5.1: Overcoming Obstacles (Scenario 3)

Susan is a 31-year-old single mother of two. The children range in age range from 14 months to two years. She has been working for the same employer for three months, has not missed a day of work, and has consistently been on time. Her children are not old enough for school yet, so Susan must wake up extra early to bring her children to daycare. To reduce the costs of daycare, Susan's mother baby-sits the children twice a week. However, Susan's mother has been sick with a cold for the past week. Unknown to Susan or her mother, the children have caught the cold. Susan's mother is too weak to care for the sick children and the daycare provider will not allow sick children in their care. Susan is expected to attend a meeting at work, so it is important for her to be there on time. How should Susan handle this unexpected turn of events?

Handout 6.1: Equal Employment Opportunity Laws

See: www.eeoc.gov

- Title VII of the Civil Rights Act of 1964 (Title VII) prohibits discrimination on the basis of race, color, religion, sex, and national origin.
 - ✓ Title VII applies to employers with fifteen (15) or more employees
- The Age Discrimination in Employment Act of 1967 (ADEA) prohibits age discrimination against individuals who are forty (40) years of age or older.
 - ✓ The ADEA applies to employers with twenty (20) or more employees
- Title I of the Americans with Disabilities Act of 1990 (ADA) prohibits employment discrimination against qualified individuals with disabilities.
 - ✓ The ADA applies to employers with fifteen (15) or more employees
- The Equal Pay Act of 1963 (EPA) prohibits wage discrimination between men and women in substantially equal jobs within the same establishment.
 - ✓ The EPA applies to most employers.
- The state and local laws prohibit discrimination on the basis of:

- Your local office of EEOC is located at: _____

- Your local office of [Human Rights] is located at: _____

Exercise 6.2: Prejudice (Scenario 1)

Objective: To learn about prejudice and discrimination, both from the perspective of the victim and the perpetrator.

Directions: Read the following scenario. A group discussion will follow.

You have been an order puller in a warehouse for one year. You are good at your job, and everyone knows it. You work so efficiently that you often manage to get done early. Your supervisor recently recognized your hard work by giving you a raise.

Then one day, your supervisor approaches you and tells you that the owner's son, whom you heard through the grapevine has flunked out of college and wrecked the SUV his parents bought him for high school graduation, is going to start working with you. Your supervisor informs you that you will be responsible for training him. You also find out that he is going to be making the same amount of money that you are making after an entire year.

Exercise 6.2: Prejudice (Scenario 2)

You have been working for seven months as the receptionist for a small firm. Of the 25 employees, you are the only person of your ethnicity who works there. And you are the only receptionist. The other employees include sales people, technicians, four or five secretaries, a couple of mid-level managers, and the owner. You have become quite efficient at your job, and on some occasions, have even done the work of secretaries when they needed help or were out sick.

During your seven months, the company has hired outside to fill two secretarial vacancies. You had not really been aware of the vacancies because you were happy with your job and were busy learning your position. However, you have come to find out that at least two of the secretaries on staff began as the receptionist and were subsequently promoted to secretary.

One day you look up and two people are coming in to be interviewed for yet another secretarial position. You knew nothing about the opening, although it soon becomes apparent that other staff members did. Later that day, you go to the boss and say that you didn't know about the opening and are interested in interviewing for the position. She apologizes and says that she already selected someone. What do you do? Is it discrimination?

Handout 6.3: Autobiography in Five Short Chapters

I

I walk down the street.
There is a deep hole in the sidewalk.
I fall in.
I am lost . . . I am helpless.
It isn't my fault.
It takes forever to find a way out.

II

I walk down the same street.
There is a deep hole in the sidewalk.
I pretend I don't see it.
I fall in again.
I can't believe I am in this same place.
But, it isn't my fault.
It still takes a long time to get out.

III

I walk down the same street.
There is a deep hole in the sidewalk.
I *see* it there.
I still fall in . . . it's a habit . . . but,
My eyes are open.
I know where I am.
It is *my* fault.
I get out immediately.

IV

I walk down the same street.
There is a deep hole in the sidewalk.
I walk around it.

V

I walk down another street.

By Portia Nelson
There's A Hole in My Sidewalk
(Hillsboro, OR: Beyond Words Publishing, 1992)

Exercise 7.1: Priorities, Responsibilities, and Conflicting Interests

Directions: Take a few minutes to think about your priorities and answer the first question in the space provided. Think about such things as your family, friends, spirituality, health, finances, etc. You will then have the opportunity to share your ideas with the group.

1. What are your priorities? What things are most important for you to do or accomplish?

2. What does an individual need to have or do to balance work with other responsibilities?

You may want to add responses that you hear from others in the group.

Exercise 7.2: Resource Mapping

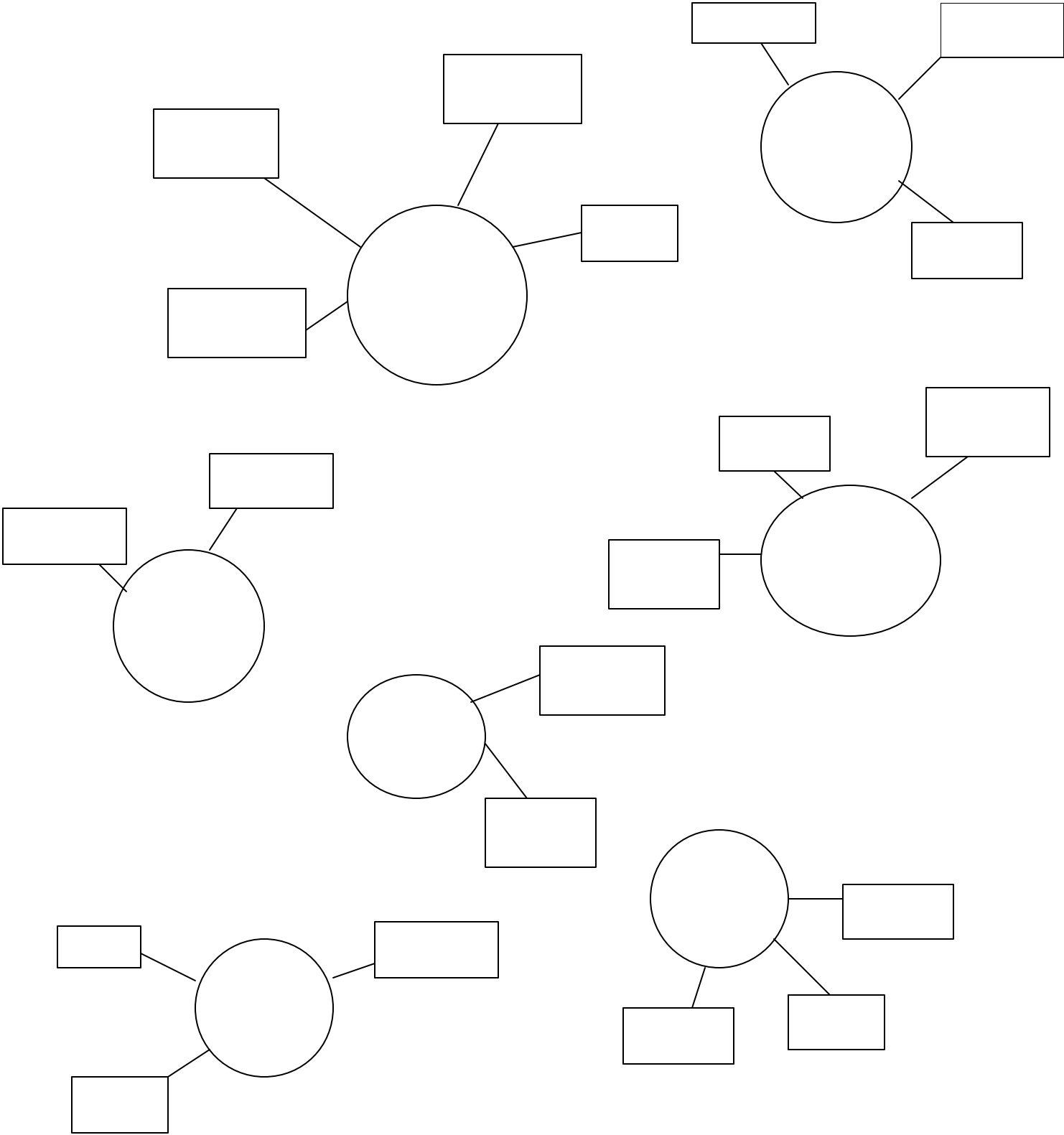
Objective: To identify community resources that can make working or looking for work easier for you.
To help you to think broadly and creatively about the resources in your community.

Directions: As a group, you are going to create a map of community resources. Take your time to think about anything that can be a resource: a community organization, a large or single-person business, a government agency, a church, or even your neighbor. There are many resources available to all of us, some of which we aren't even aware.

1. Look through newspapers, phone books, and any other lists of community organizations, government agencies, and businesses for all types of resources and services within your community. Write the names of these resource providers on the map for the group.
2. Next, write the service or benefit that the organization provides. It does not have to be something you have used or expect to use. Although, if you write it down, you will be aware of the service when you, or a friend, need it.
3. Repeat steps 1 and 2 for your personal resource map, filling in the spaces on the blank map provided. In addition to the community organizations and businesses listed on the group map, consider the following things:
 - Who (personally) do you know? What organizations do you belong to that may offer a resource just for you?
 - What resources do these people provide? A car? A skill? Live near your child's school?
4. Look at the group map and your personal map and put these resources into a list that you can use at home. The sample list can help you organize each community resource by category. For example, if the church provides both childcare and a support groups, you would write the church information in both categories. Then, you don't have to remember all the church's activities.

Add the name, number, address, and other details of each organization in the proper column on the resource worksheet. Do not limit yourself to this worksheet – add any new categories you think you may need and add as many pieces of paper as necessary. It is better to have too many resources on hand than too few.

Personal Resource Map



Community Resource List

Category of Resource	Person/Organization Phone & Address	Description of Services & Availability
Example: One-Stop	WorkSource, 768-1988 400 Fairfax Ave.	Job bank, training vouchers, career counseling. Open M-W-F 9am-5pm, T-Th 9-7pm
Child Care		
➤ All day		
➤ Emergency Only (e.g., sick child or provider)		
➤ Weekends		
➤ Evenings		
Transportation		
➤ Public Transportation		
➤ Taxi		
➤ Friend with Vehicle		
➤ Car repair		
Finances		
➤ Bank		

Category of Resource	Person/Organization Phone & Address	Description of Services & Availability
Finances		
➤ Credit Counseling		
Social Service/Support		
➤ Financial Assistance		
Health		
➤ Emergency room		
➤ Clinic/Family Doctor		
Career		
➤ Job counselor		
➤ Community College		
➤ One-Stop center		

[illegible]

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Exercise 7.3: Preparing for Emergencies & Unexpected Events (Scenario 2)

Congratulations! Beth got the job. Can you believe they need her to start working on Monday? That leaves her only three days to find reliable and affordable childcare for her three-year-old son. She has called a few day care centers and made two disheartening discoveries: (1) her son does not have all the immunizations needed to attend a licensed day care; and (2) the day care centers require payment after the first two weeks– but she won't get paid and have enough money for four weeks. What can Beth do?

What does Beth needs to accomplish before she can begin her new job?	Community resources Beth can use

Are there any emergency situations for which Beth should make plans?

Exercise 7.3: Preparing for Emergencies & Unexpected Events (Scenario 3)

Beth has been working as a receptionist in the dental office for six months now. She is good at her job, but she doesn't find it very challenging. She would prefer to be one of the dental hygienists, as it seems more interesting and she knows that she could make more money as a hygienist. Unfortunately, Beth is concerned that she does not have the time or money for the required training. What can Beth do?

What does Beth need to do to explore and pursue a new career?	Community resources Beth can use

Did you discover any new resources or uses of the resources during this exercise? If so, write them here.

_____	_____
_____	_____
_____	_____

Exercise 8.1: 24 Hours a Day

Objective: To identify how you spend your time on a typical day.

Directions: Think about a typical weekday. How much time (approximately) do you spend on each activity?

_____ Sleeping
_____ Cooking and Eating
_____ Getting ready for the day
_____ Working
_____ School/Training
_____ Entertainment (TV, sports, socializing, etc.)
_____ Taking care of children
_____ Commuting to work and/or taking children to daycare or school
_____ Housework (repairs, cleaning, grocery shopping, etc.)
_____ Other _____
_____ Other _____
_____ **TOTAL**

➤ Did your time add up to more than 24 hours? Where can you cut back?

➤ Do you have time left in the day? What can you do with this extra time?

Exercise 8.2: Day Planner

Directions: Now that you have had time to think generally about how you allocate your time during the day, you are going to prepare a daily schedule. While you are free to determine how much time you want to devote to particular activities, *everyone's schedule must include eight hours of work*. If you are not currently working (or not working full-time), this exercise will give you an opportunity to envision what your day would look like if you were.

During this exercise, consider how to organize your time more efficiently so that you can accomplish all of the “necessary” tasks (work, housework, etc.) while still having time for the things you enjoy (playing with your children, socializing with friends, etc.). Think about ways to consolidate activities, and don’t forget about weekends, lunch breaks, and days off. If you decide to assign certain activities that you normally do during the week (e.g., grocery shopping) to the weekend, you may want to note that below the schedule.

Exact Time (e.g., 8:15-10:30)	Activity

Notes: _____

Exercise 8.3: Beyond Scheduling: Dealing with Unexpected Events

Great scheduling! Unfortunately, things don't always go according to plan

Assume that your transportation to work failed. If you drive, your car broke down; if you take the bus, you missed the last bus for an hour.

- How are you going to get to work?
- How will you rearrange your schedule?
- What resources from the resource mapping exercise can you?

Ways in which your schedule would change:

Resources you would draw upon:

Exercise 8.4: Don't Forget "To Do"

Directions: Even if you have your "regular" routine down, things sometimes change from day to day or week to week. "To Do" lists are a great way to keep track of the uncommon or more intermittent activities that fit into a schedule.

First begin with a monthly calendar (see the next page). Examples of common events to include are:

- Due dates for bills
- Meetings of clubs, social events, etc.
- Doctor's appointments
- Special work meetings
- Birthdays

Your whole family or household can use the same monthly calendar. Keeping everyone informed will make it easier to remain organized and get things done on time.

After you create your monthly calendar, create a weekly "To Do" list for next week. A weekly "To Do" list will be much more detailed than a monthly calendar. Although you should begin with events or activities from your monthly calendar, you will also want to include day-to-day activities, such as grocery shopping, going to the bank, getting the oil changed in your car, making an important phone call, etc.

As you create your list, be sure to establish priorities. Do some activities have specific timelines (e.g., a rent payment or a dentist appointment)? Are some things more important to you (e.g., visiting your grandmother versus washing the laundry)? Keep these things in mind as you establish your list.

Use this space to write a list of what you need to do this week (and when):

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Exercise 8.4: Don't Forget "To Do" (Cont'd.)

The Monthly Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Exercise 9.1: Setting & Following a Household Budget¹

Directions: Even if you are working full-time, you need to know the limits of your paycheck. The best way to ensure you have enough money for necessities is to develop a spending plan, otherwise known as a budget. A budget is your financial “road map.” It helps your dollars stay on track so that you can reach your goals, and it prevents you from taking unnecessary and expensive detours.

Developing a budget involved 4 steps:

- Identify your income
- List your expenses
- Compare income and expenses
- Set priorities and make changes

Step 1: Identifying Income

Sources	Monthly Income
After tax wages (yourself)	\$ _____
After-tax wages (others in household)	\$ _____
Tips or bonuses	\$ _____
Child support	\$ _____
Unemployment compensation	\$ _____
Social Security or SSI	\$ _____
Public Assistance	\$ _____
Food Stamps	\$ _____
Tax Refunds (EITC)	\$ _____
Interest	\$ _____
Other	\$ _____
Total Income	\$ _____

If your income is different each month, you can calculate your monthly income by averaging the income you earn over a few months. Consider the following example:

Shawna works full-time as a waitress in a restaurant. She also cleans houses during the holidays. Her take-home pay for the last three months was:

December.....	\$750	
January	\$550	
February	<u>\$575</u>	
Total	\$1,875	=> \$1,875 divided by 3 = \$625

¹ Exercises on Budgeting and Rent To Own have been adapted from the August 2000 draft of “Making Your Money Count,” a joint publication of The National Endowment for Financial Education and The Enterprise Foundation, with permission from The Enterprise Foundation.

Exercise 9.1: Setting & Following a Household Budget (Cont'd.)

Step 2: Identify Expenses

Sources	Per Month
Rent or mortgage	\$ _____
Heating fuel and electricity	\$ _____
Water	\$ _____
Telephone	\$ _____
Other household expenses (cable TV, newspaper)	\$ _____
Groceries	\$ _____
Snacks, meals eaten out	\$ _____
Transportation (bus fare, car repair, gas, etc.)	\$ _____
Auto insurance premiums	\$ _____
Doctor and dentist bills	\$ _____
Child care	\$ _____
Taxes (car or home, income if you own a business)	\$ _____
Pet care	\$ _____
Union dues	\$ _____
Clothing/uniform	\$ _____
Loans	\$ _____
Credit cards	\$ _____
Personal (toiletries, allowances, hair care, etc.)	\$ _____
Miscellaneous (gifts, vacation, school)	\$ _____
Savings	\$ _____
Total Expenses	\$ _____

Some expenses, such as car insurance, are only due every three or six months. It is a good idea to figure out how much you should save each month to pay these bills. To do this, divide the amount of each payment by the number of months between payments. You may even want to ask your insurance company if you can pay it monthly.

Example: Car insurance is \$270 for 3 months => $\$270/3 = \90 per month.

Exercise 9.1: Setting & Following a Household Budget (Cont'd.)

Step 3: Comparing Income and Expenses

Your total monthly income (from step 1).....\$ _____

Your total monthly expenses (from step 2)\$ _____

The amount remaining each month\$ _____

- Do you have money left at the end of the month? What will you do with it?
- Are your expenses more than your income? What can you do to change this?
- Plan to re-evaluate your budget every 2 to 3 months as your income and expenses may change frequently.

Exercise 9.1: Setting & Following a Household Budget (Cont'd.)

Step 4: Establishing Priorities and Making Changes

Don't feel badly if your expenses exceed your income. It happens to virtually everyone at some point! The most important thing to do when this happens is to look carefully at your budget to figure out how you can get back on track. Getting back on track usually means increasing income, cutting expenses, or both.

- **Option 1: Increase your income.**

There are many ways to increase household income. Is there a spouse or other family member who isn't working outside the home? Maybe he or she could consider a part-time job.

What are other ideas?

Resources:

Are there resources available in your community to help you pursue these ideas? You may want to refer back to the resource mapping exercise for ideas.

- **Option 2: Cut your expenses.**

Take a look at your expenses and see where you can save more money. Even small changes add up over time. Maybe you can take a brown bag lunch to work. You might also ask your electricity or heating suppliers about budget billing. It can spread your costs over 12 months so you are not hit with huge bills during the winter months. What are other ideas?

Handout 9.2: The Earned Income Tax Credit

The Earned Income Tax Credit (EITC): Extra Money for People Who Work

This handout is from the Center on Budget and Policy Priorities' *Guide to Outreach Strategies for the Earned Income Credit*, with permission from the Center on Budget and Policy Priorities.

What is the Earned Income Credit?

The EITC is a special tax benefit for working people who earn low or moderate incomes. It has several important purposes: to reduce the tax burden on these workers, to supplement wages, and to make work more attractive than welfare.

Workers who qualify for the EITC and file a federal tax return can get back some or all of the federal income tax that was taken out of their pay during the year. They may also get extra cash back from the IRS. Even workers whose earnings are too small to have paid taxes can get the EITC. What's more, the EITC reduces any additional taxes workers may owe.

Who can get the EITC and how much is it worth?

Single or married people who worked full or part time at some point during 2000 can qualify for the EITC, depending on their income.

- Workers who were raising one child in their home and had family income of less than \$27,413 in 2000 can get an EITC of up to \$2,353.
- Workers who were raising more than one child in their home and had family income of less than \$31,152 in 2000 can get an EITC of up to \$3,888.
- Workers who were not raising children in their home but were between ages 25 and 64 on December 31, 2000 and had income below \$10,380 can get an EITC of up to \$353.

Which children qualify for the EITC?

"Qualifying children" include sons, daughters, stepchildren, grandchildren, and adopted children, as long as they lived with the taxpayer for more than half the year. Nieces, nephews, children of a friend, or foster children can be "qualifying children" if they lived with the taxpayer all year and were cared for as members of the family.

"Qualifying children" must be under age 19, or under age 24 if they are full-time students. Totally and permanently disabled children of any age are also considered "qualifying children." A valid Social Security number is required for any qualifying child born before December 31, 2000.

How does the EITC work?

- ***Eligible workers can get a check from the IRS.*** Ms. Berger has two children in college and earned \$19,000 in 2000. Her federal income tax for the year was \$660, all of which was withheld from her pay. She is eligible for an EITC of \$2,439. The EITC pays her back the \$660 she paid in income tax and gives her an additional cash refund of \$1,779.
- ***Eligible workers who don't owe federal income tax can get a check.*** Mr. Smith has no children. He worked part time in 2000 earning \$4,900. Because of his low earnings he had no income tax taken out of his paycheck and owes nothing to the IRS. His earnings entitle him to an EITC check for \$347.
- ***Eligible workers pay less in taxes.*** Mr. and Mrs. Johnson have two children. They earned \$26,000 in 2000 and owe the IRS \$1,000 more than what was withheld from their pay during the year. But their income also makes them eligible for an EITC of \$964. The EITC reduces the additional taxes they owe from \$1,000 to \$34.

How do you get the EITC?

- Workers raising children in 2000 must file either form 1040 or 1040A and ***must*** fill out and attach Schedule EITC. Workers with children ***cannot*** get the EITC if they file form 1040EZ or fail to attach Schedule EITC. Married workers must file a joint return to get the EITC.
- Workers who were not raising children in 2000 can file any tax form – including the 1040EZ. These workers write “EITC” (or the dollar amount of their credit) on the Earned Income Tax Credit line on the tax form. They do **not** file Schedule EITC.
- A correct name and Social Security number must be provided for every person listed on the tax return and schedule EITC. If this information is incorrect or missing, the refund will be delayed.

Workers raising children can get the EITC in their paychecks!

Workers who are raising children can get part of their EITC in their paychecks throughout the year and part in a check from the IRS after they file their tax return. This is called the advance payment option.

Workers can get FREE help filing their tax forms

Many families that apply for the EITC pay someone to complete their tax forms. This can cost \$25 to \$65. Getting a “quick tax refund” that comes back in a few days costs even more. Paying for tax preparation takes away from the value of the EITC. But low-income workers can get free help with tax preparation through a program called VITA (Volunteer Income Tax Assistance).

Does the EITC affect welfare benefits?

In most cases, the EITC does not affect eligibility for benefits like cash assistance (TANF), Medicaid, Food Stamps, SSI, or public or subsidized housing.

Can immigrant workers get the EITC?

Many legal immigrants can qualify for the EITC, as long as they meet the eligibility requirements.

How can I get more information on the EITC?

- You can find a complete guide to the EITC at <http://www.cbpp.org/EIC2000/index.html>.
- Call the IRS at 1-800-TAX-1040. Be patient; the 24-hour line is often busy.

Exercise 9.3: Renting To Own

How many times have you passed a rent-to-own store and seen a sign in the window advertising a TV for only \$15 a week? If it sounds too good to be true, it probably is. By the time you have paid off the TV, you may have paid 3 to 10 times as much as it really cost! Let's look at the following situation.

Ray decided to buy a TV on a rent-to-own plan. The rent-to-own store had the same model Ray had seen in a department store selling for \$400. The rent-to-own store would rent it for \$15.95 per week, plus sales tax and delivery. He would own the TV in 78 weeks. Before Ray signed the rental papers, he did some math:

Weekly rental.....\$15.95 x 78 weeks = \$_____

5% sales tax.....\$ 0.80 x 78 weeks = \$_____

Delivery fee.....\$10.00 (once) = \$_____

Total cost of rent-to-own TV..... \$_____

Questions for Discussion:

- If you were Ray, what would you do? What if you did not have the \$400 up-front, but knew you could afford \$15.95 per week?
- What are some other ways of that you could buy the TV?

Handout 9.4: Credit Cards

Key Ideas and Terms:

- **Credit cards** provide easy, short-term, and possibly expensive loans. It is money trusted to you with the understanding that you will pay back the full amount you “borrow ” plus interest. Your repayment of credit cards becomes a part of your “credit history,” which is reviewed when you want to take a bank loan for large items like a car or house.
- **Interest** is the cost of borrowing money. It is given as a percentage of the loan. For each percentage point, you pay one cent to borrow one dollar. If you borrow \$100 for a year at a 20 percent APR, you will pay \$20 at the end of the year for borrowing that \$100.
 - ✓ APR is short for “annual percentage rate.” Nearly all credit cards and loans are quoted in APR. If the APR is 20 percent, note that you would not pay 20 percent every month. Rather, the interest is spread out over 12 months. The monthly interest rate for a 20% APR is 1.67 percent ($20 \div 12 = 1.67$).
- **Balance** is the amount remaining on a credit card at the end of each month. If Ray bought a television for \$430 and paid \$30 on his credit card, then his balance would be a little over \$400. Remember it would not be exactly \$400 because interest would be added to the original amount that Ray had charged to his card. This interest becomes part of the new monthly balance.

Let’s look at how much Ray would pay if he purchased a \$400 television on credit. Remember, the cost after tax and delivery is \$430. Ray’s credit card has a 20 percent APR. Calculate how much Ray would pay if he decided to wait an entire year to pay for the TV that was on his credit card.

$$\$430 * 20\% = \$86 \text{ in interest} \quad \Rightarrow \quad 430 + \$86 = \$516 \text{ total}$$

Questions for discussion:

- If you wanted to use credit to purchase something, what steps could you take to keep the total costs as low as possible?
- What are some benefits of using credit cards? What are the drawbacks?

Handout 9.4: Credit Cards (Cont'd.)

Credit History: What is it?

A credit history is a picture of your financial life. It based on the bills you pay and the debts that you have. Your credit report will show how well you pay your bills on time and to which companies you owe money. The report contains information from banks, merchants, and other creditors.

Other information that appears in a credit report:

- Your name, Social Security number, and date of birth.
- Current and previous addresses.
- Information about your employers, current and previous.
- A list of your accounts (if any) that have been referred to a collection agency.
- Your payment history with major credit cards, department store charge accounts, and loan payments.
- Inquiries made about you over the last several years, and whether or not you were granted credit.
- Public record information: Bankruptcies, foreclosures, tax problems, etc.

Credit History: What's it Used For?

Banks and other creditors look at your credit history to determine if they should lend you money and at what interest rate. So if you want to get a loan and get it at the best price (interest rate), start working towards a strong credit history.

Handout 9.4: Credit Cards (Cont'd.)

Building a Better Credit History²

Do:

- Open a bank account (savings or checking), and use it responsibly. This is the first step in establishing your financial history.
- If you have services in your name (telephone, gas, and electric), make sure you pay them in full and on time.
- Apply for a credit card. Responsible use will help you build a good credit history. If you have been denied a credit card in the past, you may want to investigate a secured credit card, where you put a predetermined amount of money in an account as a deposit in the bank. The secured card can be used in the same way as a credit card with the same convenience and payment flexibility. It's a great "starter card" and helps you establish a credit history.
- Gasoline companies and retail stores offer their own credit cards. Responsible use of these can also help you build a credit history.
- Pay on time for any loans and credit accounts each month. At least pay the minimum, if there is one.
- Review your credit report carefully, on a regular basis, to make sure it's accurate.
- You may be eligible to obtain a free credit report from Experian at <http://www.experian.com/product/consumer/unemployed.html>
- If debt has gotten out of control, seek help from a credit counselor who can help you consolidate and prioritize your debt.

Do Not:

- Do not overdraw your bank account. It's a bad way to begin your credit history.
- Do not miss payments on bills or loans. Even late payments count against you.
- Do not let other people use your bank account, gasoline card or store credit card.
- Do not forget about recurring bills on your credit card, like subscriptions or club dues.
- Do not leave utilities (gas, water, phone, electric) in your name if you move. If it's in your name, it's your responsibility.

² From "Simple Steps to Building Credit," http://www.creditalk.com/do_don't.html

Handout 9.5: Opening a Bank Account

Why to Open a Bank Account & What to Consider When Choosing a Bank

A bank account is the simplest, safest way to manage your finances. Whether it's a savings account or a checking account, it allows you to build good credit in a number of ways:

- Just establishing a bank account is a great way to begin building a solid credit history.
- It allows you to save money, and in circumstances with accrued interest, to increase it.
- A checking account allows you to more easily pay bills and track expenses.
- Responsible use of a checking account or an Automatic Teller Machine (ATM) card will reflect favorably in your credit report.
- A good bank can help you manage your money, saving you both time and hassle.

When choosing a bank, consider the following factors:³

- **Location and Hours of Operation:** Convenience is important. However, do not choose a bank based solely on these factors; lower fees may be available.
- **“Relationship Banking:”** Banks may encourage you to have all your accounts and credit with them in relationship banking, but it might be more economical to use separate banks.
- **Minimum Balances & Maintenance Fees:** Often if you keep a certain amount of money in the bank, then you do not have to pay a fee.
- **Charges per Transaction:** In addition to monthly maintenance fees, some banks charge a fee for each check you write or for visiting a teller or an ATM. Be sure to ask.
- **ATMs:** Look out for fees connected to ATMs. Also, one needs to keep track of withdrawals from ATM machines to prevent an overdraw account. If you think this might be a problem, you may want to consider not having an ATM card.

³ From the Better Business Bureau, “Choosing a Bank,”
www.newyork.bbb.org/library/publications/subrep98.html